

Message Text

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ORIGIN EB-07

INFO OCT-01 ISO-00 EUR-12 /020 R

DRAFTED BY TREASURY:RSELF:LPP

APPROVED BY EB/OT:CWSCH;IDT

EB/OT/STA:MCJONES

EUR/WE:MDURKEE

EB/OT/STA:WCLARK,JR.

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FM SECSTATE WASHDC

TO AMEMBASSY MADRID IMMEDIATE

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STADIS////////////////////////////////////

E.O. 11652:N/A

TAGS: ETRD, SP

SUBJECT:COUNTERVAILING DUTY CASES

1. WITHOUT DEPT.'S KNOWLEDGE, THE FOLLOWING LETTER WAS
DELIVERED TO SPANISH EMBASSY TODAY. BEGIN TEXT.

DEAR MR. AMBASSADOR:

I AM WRITING WITH REGARD TO THE COUNTERVAILING DUTY CASES
INVOLVING IMPORTED NON-RUBBER FOOTWEAR AND BOTTLED OLIVES
FROM SPAIN. AS YOU KNOW, THE TREASURY ISSUED A COUNTER-
VAILING DUTY ORDER COVERING THESE ITEMS ON SEPTEMBER 3,
1974. THE THREE PERCENT COUNTERVAILING DUTY WAS CONFINED
TO ONE ISSUE: THE OVERREBATE OF TURNOVER TAX
(DESGRAVACION FISCAL) MADE BY THE SPANISH GOVERNMENT ON
EXPORTS.

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ADDITIONAL ISSUES HAVE BEEN RAISED BY BOTH PETITIONERS

WHICH WERE NOT INVESTIGATED PRIOR TO THE ISSUANCE OF THE
COUNTERVAILING DUTY ORDER. AMONG THOSE PROGRAMS WHICH
HAVE BEEN ALLEGED TO BE BOUNTIES OR GRANTS ARE: THE
EXPORT INVESTMENT RESERVES FOR TAX PURPOSES; REVOLVING
CREDIT PROVIDED BY GOVERNMENT THROUGH THE COMMERCIAL BANKS
AT PREFERENTIAL INTEREST RATES; AND VARIOUS BENEFITS FOR

FACILITIES LOCATED IN THE POLOS DE DESARROLLO.

IN THE NEAR FUTURE WE WILL BE FORWARDING A DETAILED
QUESTIONNAIRE RELATING TO THESE PROGRAMS THROUGH OUR
EMBASSY IN MADRID TO YOUR GOVERNMENT.

I HOPE THAT WE CAN SPEEDILY RESOLVE THESE ADDITIONAL
ISSUES SO THAT THESE CASES CAN BE FINALLY DISPOSED OF.
IF YOU HAVE ANY QUESTIONS PLEASE FEEL FREE TO CALL ON
ME OR MY STAFF.

SINCERELY YOURS,

DAVID R. MACDONALD, ASSISTANT SECRETARY FOR ENFORCEMENT,
OPERATIONS AND TARIFF AFFAIRS. END TEXT.

2. EMBASSY SHOULD TAKE NO ACTION; ADDITIONAL GUIDANCE
FOLLOWS. KISSINGER

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Message Attributes

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Capture Date: 01 JAN 1994
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Draft Date: 06 FEB 1976
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Decaption Note: 25 YEAR REVIEW
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Disposition Approved on Date:
Disposition Authority: morefirh
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Margaret P. Grafeld
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